



Bernie Orozco
Director, State
Governmental Affairs
Ph. (916) 492-4244
Fax (916) 443-2994
E-mail:
borozco@semptra.com

May 24, 2004

California Energy Commission
Attention: Dockets 03-IEP-01
1516 Ninth Street, MS-4
Sacramento, CA 95814-5512

RE: Docket No. 03-IEP-01 – 2004 Transmission Update

Dear Commissioners:

Semptra Energy, on behalf of San Diego Gas & Electric (SDG&E), a Semptra Energy Utility company, provides the following comments in response to the California Energy Commission's (CEC) May 10, 2004 workshop on electric transmission.

An integrated energy policy should identify transmission expansion needs to ensure access to the optimum mix of long-term energy resources for California, including energy imports from outside of the state. SDG&E has identified two potential transmission grid expansion projects that would allow SDG&E to access renewable energy resources external to SDG&E's system. SDG&E encourages both the CEC and the California Public Utilities Commission (CPUC) to work together proactively in identifying the steps needed to ensure timely construction of future transmission infrastructure.

SDG&E applauds the CEC for recognizing that modernizing and upgrading the bulk transmission grid should be a centerpiece of the state's electricity planning process. A robust and well-planned electric system is vital to the economic growth and security of the state. Indeed, transmission infrastructure is a key piece of the energy puzzle. The CEC's vision to plan ahead for corridors and set aside rights-of-way is an appropriate action to provide guidance for long-term transmission planning. In addition, access to renewable resources is dependent upon development of new transmission corridors to connect nearby projects with San Diego customers.

The results of SDG&E's recent RPS solicitation (April 2004) identified renewable energy amounts of 3,300 MW external to SDG&E's transmission system. Specifically, this recent solicitation identified 600 MW of geothermal resources in the Salton Sea area; 2,472 MW of wind in the Tehachapi area; and 200 MW of solar resources in the Victorville area north of San Diego, to meet its renewable resource mix requirement by the year 2017.

Preliminary studies indicate that an Imperial Valley to San Diego 500 kV line could add up to 1,400 MW of import capability from the south and east, allowing access to the identified geothermal resources in the Salton Sea region. The 500kV transmission system additions being proposed by the Lake Elsinore Municipal Water District for its Lake Elsinore Pumped Storage Project (LEAPS), could add another 1,000 MW of import capability from the north, allowing access to the identified solar and wind resources north of the San Diego transmission system.

Because the San Diego region is buffered by federal and state lands, each of these identified transmission projects have unique siting constraints. A new Imperial Valley to San Diego 500kV line project would require a transmission corridor through the Anza Borrego Desert State Park and a portion of the Cleveland National Forest. The new 500kV transmission line (between the SCE and SDG&E systems) needed to accommodate the LEAPS project would require a new transmission corridor through federal land in the Cleveland National Forest. SDG&E hopes to work closely with the project sponsors, the CPUC, and the CEC to ensure these transmission corridors are secured by the project sponsors to allow timely grid expansion necessary to meet statewide objectives in accessing renewable energy resources. Additionally, joint efforts need to consider full system integration that includes a thorough engineering system analysis of the grid to determine how much wind generation can be connected in a single wind regime without creating operability problems.

As the CPUC reevaluates the existing transmission licensing process (R.04-01-026) and the CEC explores transmission constraints to accessing renewable energy resources in the Southern California area, SDG&E encourages the state agencies to work together to promote efficiency and expedite the transmission licensing process by avoiding unnecessary redundancies and delays.

Sincerely,

Bernie Orozco